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U.S. Department of Labor

Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, D.C. 20210

JUN 29 2005

The Honorable Jim Doyle
Governor of Wisconsin
115 East State Capitol
Madison, Wisconsin 53702RE: Wisconsin's Strategic State Plan for Title I of the Workforce Investment Act
and the Wagner-Peyser Act

Dear Governor Doyle:

This letter provides approval of Wisconsin's Strategic State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act for the two-year period, July 1, 2005 through June 30, 2007. The Employment and Training Administration (ETA) received your proposed State Plan on May 27, 2005, and appreciates your timely submission. ETA views the state strategic planning process under WIA to be a foundational driver for the State's workforce investment system which is key to the State's economic growth. The role of governors in this process is critical, and we thank you for your leadership and that of your State's Workforce Investment Board.

Plan Review and Approval

ETA has reviewed the Wisconsin State Plan, including the revisions to the initial Plan provided by the State on June 22, 2005 (hereafter "the Plan"), in accordance with Title I of the Workforce Investment Act, the Wagner-Peyser Act, the corresponding regulations, and the WIA/Wagner-Peyser Act Planning Guidance issued on April 12, 2005. Pursuant to 20 CFR 661.220(e), this letter constitutes a written determination under WIA section 112(c) (29 USC 2822(c)), that the Plan, for the two-year period, July 1, 2005 through June 30, 2007, is consistent with the requirements of WIA and the Wagner-Peyser Act.

ETA has identified in the enclosure one element for which additional information is required or a waiver request may be submitted, to ensure that the Plan is implemented in a manner consistent with the WIA requirements. Please submit the information requested to Christine Kulick, the Federal Coordinator for Plan Review and Approval, (e-mail: Kulick.christine@dol.gov), 200 Constitution Avenue, N.W., Room S-4231, Washington, D.C. 20210, with a signed copy to the ETA Regional Office. We are requesting that you submit this information at your earliest convenience but no later than August 15, 2005. ETA will review Wisconsin's submission promptly and provide an expedited response.

The Grant Officer will issue a Notice of Obligation for the "July portion" of the WIA formula allocations (Youth, Adult and Dislocated Worker), effective July 1, 2005, under the current Program Year 2005 Annual Funding Agreement. The Wagner-Peyser Act program grant documents for Program Year 2005/Fiscal Year 2006 were sent to the designated State grantee agency for signature. Upon return the Grant Officer will execute the grant effective July 1, 2005. These Wagner-Peyser Act documents will provide for the initial base allocation of Program Year 2005 funds.

Performance Levels

Attached are the negotiated Program Year 2005 and 2006 performance levels for WIA which were agreed upon in prior discussions with the Regional Office. These performance levels have been incorporated into the State Plan, and approval of this Plan constitutes formal approval of Wisconsin's WIA performance levels for Program Years 2005 and 2006.

Waiver Requests

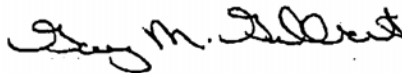
Wisconsin was granted an extension of its waiver related to initial eligibility on June 6, 2005 through June 30, 2007. The approved waiver is incorporated by reference into the State Strategic Plan and into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement. A copy of this letter should be filed with the State's WIA Grant Agreement and the State's Strategic Plan, as appropriate.

If you have any questions related to the issues discussed above, please contact Christine Kulick at (202) 693-3045 or kulick.christine@dol.gov, or Marium Baker at 312-596-5525 or baker.marium@dol.gov.

Sincerely,



Byron Zuidema
Regional Administrator
Employment and Training
Administration



Gay M. Gilbert
Administrator
Office of Workforce Investment
Employment and Training
Administration

Enclosures

Enclosure (Wisconsin)

ADDITIONAL INFORMATION REQUIRED

Section VIII. Administration and Oversight of Local Workforce Investment System, Section K.5: Page 39 of the Plan

The Planning Guidance asks if the State intends to exercise its option to re-allocate funds and if so, to provide a reallocation policy. Wisconsin's Plan provides that "funds not expended after the end of the two-year grant period will be de-obligated. If a Workforce Development Board is below 70% of expected spending at the end of year one, reallocation may occur. DWS will issue these recaptured amounts as additional WIA grants to WDB's that have expended all their funds during the two-year grant period and will be able to expend the additional funds by the end of the third year of the grant." Please review this section of the Plan and revise in accordance with 20 CFR 667.160, which provides that "the amount to be recaptured from each local area for purposes of reallocation, if any, must be based on the amount by which the prior year's unobligated balance of allocated funds exceeds 20 percent of that year's allocation for the program, less any amount reserved (up to 10 percent) for the costs of administration." Reallocation must capture unobligated funds when the Local Board has obligated less than 80%. The reallocation policy for year two, as described in the Plan, is acceptable.

As an alternative to revising the Plan, Wisconsin may wish to consider requesting a waiver to implement the reallocation policy contained in the Plan submission. We recognize that the Wisconsin Plan's policy on recapture and reallocation procedures at the end of year one is consistent with WIA reauthorization and overall ETA guidance regarding expenditures versus obligations: specifically the 70% expended as opposed to 80% obligated after year one. However, to obtain approval to implement these procedures, the State will need to file a waiver request as provided for in 20 CFR 661.420.

WIA Performance Levels for PYs 2005 and 2006

Wisconsin

	<u>PY 2005</u>	<u>PY 2006</u>
<u>Adult Measures</u>		
Adult entered employment	72.00	74.00
Adult employment retention	79.00	81.00
Adult earnings change	\$2,750.00	\$2,900.00
Adult employment and credential	64.00	65.00
<u>Dislocated Worker Measures</u>		
Dislocated worker entered employment	86.00	87.00
Dislocated worker employment retention	91.00	92.00
Dislocated worker earnings change	(\$1,200.00)	(\$1,200.00)
Dislocated worker employment and credential	68.00	69.00
<u>Older Youth Measures</u>		
Older youth entered employment	72.00	74.00
Older youth employment retention	80.00	81.00
Older youth earnings change	\$3,200.00	\$3,400.00
Older youth credential	55.00	57.00
<u>Younger Youth Measures</u>		
Younger Youth Skill Attainment	90.00	92.00
Younger youth diploma	69.00	71.00
Younger youth retention	72.00	74.00
<u>Customer Satisfaction Measures</u>		
Participant ACSI	75.00	75.00
Employer ACSI	76.00	76.00